

Amendment No. 1 to SB0970

Yager
Signature of Sponsor

AMEND Senate Bill No. 970*

House Bill No. 1076

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 7-86-119, is amended by designating the existing language of subsection (a) as subdivision (a)(1) and adding the following as a new subdivision (a)(2):

(2)

(A) An emergency communications district may purchase, in lieu of the surety bonds required by subdivision (a)(1), fidelity bonds to cover any losses from breach of the condition of faithful discharge of the duties of any board member, executive committee member, employee, officer, or any other authorized person of an emergency communications district who receives public funds, has authority to make expenditures from public funds, or has access to any public funds.

(B) A fidelity bond purchased pursuant to this subdivision (a)(2) shall provide coverage for government crime and employee dishonesty that insures the lawful performance by officials and their employees of their fiduciary duties and responsibilities.

(C) A fidelity bond purchased pursuant to this subdivision (a)(2) must be purchased from a corporation licensed to do business in this state pursuant to title 56, chapter 2.

(D) A certificate evidencing the persons covered by the fidelity bond, the amount of coverage maintained, and the type of coverage provided shall be filed

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in the register's office for the county in which the emergency communications district is located.

(E) A certificate filed pursuant to subdivision (a)(2)(D) shall satisfy the requirement for the filing of official bonds under subsection (e).

SECTION 2. Tennessee Code Annotated, Section 7-86-119, is further amended by deleting subsection (c) and substituting instead the following:

(c)

(1) The minimum amount of such required bond shall be determined from the amount of revenues handled by the respective emergency communications district as reported in the last audit approved by the comptroller of the treasury.

The minimum amount of the bond shall be based on revenues as follows:

(A) Four percent (4%) of the revenues up to three million dollars (\$3,000,000); and

(B) Two percent (2%) of the revenues in excess of three million dollars (\$3,000,000) shall be added.

(2) The amounts indicated in subdivisions (c)(1)(A) and (B) shall be cumulative.

SECTION 3. Tennessee Code Annotated, Section 7-86-119, is further amended by deleting subsection (d) and substituting instead the following:

(d) Surety bonds purchased pursuant to this section shall be signed by authorized individuals of a corporate surety, and such corporation shall be duly licensed to do business in the state as a surety.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.